



Circuit Breaker

Revenue and Taxation Interim Committee

OFFICE OF LEGISLATIVE RESEARCH AND GENERAL COUNSEL

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September 15, 2021



Roadmap

- 1. Purpose: what is circuit breaker for?**
- 2. Scope: what is it?**
- 3. Qualifications: who can receive?**
- 4. Cost: how is it funded?**



Purpose of Circuit Breaker

Title 59, Chapter 2, Part 12

“provide general property tax relief ... to offset in part the general tax burden, a significant part of which ... is represented by property tax.”

Although calculated based on property tax assessment, the circuit breaker “is not limited to property tax relief nor is it formulated upon the Legislature’s power to relieve those taxes.”



What is Circuit Breaker relief?

Singular Reference to 3 Types of Tax Relief

Homeowner		Renter
Valuation Reduction	Credit	Credit
Tax assessed on 35% of home's fair market value	Up to \$1,067* of property tax	Up to \$1,027* of rent minus included utilities

*2021 maximum credit - Credit amount is inflexed for inflation



Qualifications

- **Total Household Income**
< Annual Threshold
(Currently \$34,666)
- **≥ 66 years old* or**
Unmarried surviving
spouse of any age
- **Homeowner: Owns**
home for entire
calendar year;
Renter: Utah resident for
entire calendar year
- **Annual application by**
claimant

*Age increases to 67 in 2027



Credit Structure

- **Amounts of credits are inversely tied to income bracket**

2020 Household Income	Amounts of 2021 Credits	
	Homeowner's	Renter's
\$0 - \$11,785	\$1,067	\$1,027
\$11,786 - \$15,716	\$936	\$896
\$15,717 - \$19,643	\$808	\$768
\$19,644 - \$23,572	\$615	\$575
\$23,573 - \$27,503	\$488	\$448
\$27,504 - \$31,198	\$296	\$256
\$31,199 - \$34,666	\$166	\$126

Sources: Salt
Lake County
Treasurer
Utah County
Clerk/Auditor
Utah State Tax
Commission



Cost/Funding

State pays costs of homeowner's and renter's credits

FY 2021 – estimated cost of \$5,881,905

Valuation reduction is not reimbursed by State



Questions?